

RESOLUTION 2022-11-06

A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY (“DIA”) RECOMMENDING THAT CITY COUNCIL APPROVE A DOWNTOWN PRESERVATION AND REVITALIZATION PROGRAM (“DPRP”) LOAN PACKAGE FOR THE REHABILITATION OF THE BUILDING LOCATED AT 325 E DUVAL STREET, JACKSONVILLE, FL 32257 (“PROPERTY”) PURSUANT TO A REDEVELOPMENT AGREEMENT WITH LOFTS AT CATHEDRAL, LTD OR ASSIGNS (“OWNER” OR “DEVELOPER”); FINDING THAT THE PLAN OF DEVELOPMENT IS CONSISTENT WITH THE DIA’S BUSINESS INVESTMENT AND DEVELOPMENT PLAN (“BID PLAN”) AND THE DOWNTOWN NORTHBANK COMMUNITY REDEVELOPMENT AREA PLAN (“CRA PLAN”); AUTHORIZING THE CHIEF EXECUTIVE OFFICER TO NEGOTIATE THE CONTRACT AND ASSOCIATED DOCUMENTS AND FILING OF LEGISLATION WITH THE CITY COUNCIL REGARDING THE DPRP LOAN PACKAGE; TO EXECUTE THE CONTRACTS AND DOCUMENTS AND OTHERWISE TAKE ALL NECESSARY ACTION IN CONNECTION THEREWITH TO EFFECTUATE THE PURPOSES OF THIS RESOLUTION; PROVIDING AN EFFECTIVE DATE.

WHEREAS, LOFTS AT CATHEDRAL, LTD is the owner of the Property and the building located on the Property, which has been designated a local historic landmark by the Jacksonville City Council in Ordinance 2017-436-E, and is a contributing building located within the National Historic District of Downtown; and

WHEREAS, the Developer proposes to rehabilitate the Property to provide a minimum of 28 units of mixed-income housing as part of a larger overall development providing 120 multifamily mixed-income units, including 84 with rent limits providing affordable housing for tenants with income of 80% or less of the Area Median income, in the Cathedral Hill District within the boundaries of the Downtown Northbank CRA of Downtown Jacksonville; and

WHEREAS, the Developer was awarded Low Income Housing Tax Credits of \$1,868,000 per year for a period of ten years under RFA 2021-202 by the Florida Housing Finance Corporation to facilitate the development of affordable housing within the overall development activity; and

WHEREAS, RFA 2021-202 required a Local Government Support Loan of \$625,000, which was approved by the DIA in Resolution 2021-07-04 to facilitate the development of affordable housing within the overall development activity; and

WHEREAS, the increased private capital investment totaling not less than \$7,235,489 in real property will increase the county ad valorem tax base over the useful life of the assets related solely to the redevelopment of the Historic building as a component of the overall development activity, and will add to the residential tenancy options in Downtown Jacksonville; and

WHEREAS, the Strategic Implementation Committee of the Downtown Investment Authority (“DIA”) met on November 16, 2022, to consider the recommendation of DPRP Program Forgivable Loans following the program guidelines established by City Council in accordance with the terms contained in the term sheet attached hereto as Exhibit A; and

NOW THEREFORE, BE IT RESOLVED, by the Downtown Investment Authority:

Section 1. The DIA finds that the recitals set forth above are true and correct and are incorporated herein by this reference.


Section 2. The DIA instructs the Chief Executive Officer of the Downtown Investment Authority to take all necessary actions, including the filing of legislation before the City Council, to seek DPRP funding of up to **\$2,398,400** pursuant to the Downtown Historic Preservation and Revitalization Program guidelines in accordance with the terms set forth on the term sheet attached hereto as Exhibit A.


Section 3. The Chief Executive Officer is hereby authorized to execute the contracts and documents and otherwise take all necessary action in connection therewith to effectuate the purposes of this Resolution.

Section 4. The Effective Date of this Resolution is the date upon execution of this Resolution by the Chair of the DIA Board.


WITNESS:

DOWNTOWN INVESTMENT AUTHORITY





Carol Worsham, Chairman



Date

VOTE: In Favor: 5 Opposed: 0 Abstained: 1

Exhibit A:

**DOWNTOWN PRESERVATION AND REVITALIZATION PROGRAM
TERM SHEET**

**LOFTS AT CATHEDRAL
325 E Duval Street, Jacksonville, FL 32257**

Project: The project comprises the redevelopment of the historic YWCA Building in the Cathedral Hill District of Downtown Jacksonville, utilizing funding through the Downtown Preservation and Revitalization Program ("DPRP").

The historic two-story building at 325 E Duval Street, RE# 073617 0020, comprises 46,409 gross square feet, originally constructed in 1950. Upon completion, the building will provide approximately 28 units of mixed-income housing as part of a broader development which also includes a proposed 92 units of New Construction mixed-income housing.

Rehabilitation efforts include significant demolition costs associated with the conversion of the property from dormitory-style living with common restroom facilities on each floor to individual apartments with kitchens and restrooms within each.

Developer/ Applicant / Borrower: LOFTS AT CATHEDRAL. LTD or affiliated entity ("Borrower")

Total Development Costs (estimate): \$7,235,489

Equity (proposed): \$770,000

City Funding Under DPRP: No more than \$2,398,400 (through the City of Jacksonville Downtown Investment Authority), as follows:

	Historic Preservation, Restoration, and Rehabilitation Forgivable Loan (HPRR)	Code Compliance Forgivable Loan (CCR)	DPRP Deferred Principal Loan	TOTAL
TOTAL	\$1,029,100	\$889,600	\$479,700	\$ 2,398,400

At this level of funding and structure, the incentives proposed are subject to further approvals by the Jacksonville City Council.

To be eligible for funding, all work must be reviewed and approved by the Planning and Development Department for consistency with the United States Secretary of Interior Standards and applicable design guidelines during application processing and for verification upon completion and request for funding under terms defined further herein.

Budget. The construction budget reviewed and approved by the DIA in the total amount of \$5,449,720 (the "Total Budget Amount"), which includes Construction Costs to be incurred in each of the funding categories (each, a "Funding Category") and in the minimum amounts (each a "Funding Category Minimum") set forth in the table below:

Funding Category	Funding Category Minimum
Interior Rehabilitation	\$ 2,098,800
Interior Restoration	\$ 0
Exterior	\$ 1,001,800
Code Compliance	\$ 1,620,550
General Requirements/Other	\$ 125,000
N/A ¹	\$ 603,570
Total Budget Amount:	\$ 5,449,720

1 The category "N/A" is not required to be met as a Funding Category Minimum for reimbursement of other categories under the DPRP. For further clarity, there will be no reimbursement for expenditures categorized as "N/A" in the construction budget.

Minimum Expenditures: In order to be eligible for the maximum amount of the DPRP Loans, the Borrower must provide evidence and documentation prior to the applicable DPRP Loan closing sufficient to demonstrate to the DIA, in its sole but reasonable discretion, the following:

- (i) Total equity capital contribution of at least SEVEN HUNDRED SEVENTY THOUSAND DOLLARS AND NO/100 (\$770,000.00) (the "Required Equity");
- (ii) Total Development Costs incurred of at least SEVEN MILLION TWO HUNDRED THIRTY-FIVE THOUSAND FOUR HUNDRED EIGHTY-NINE DOLLARS AND NO/100 (\$7,235,489), which shall exclude tangible personal property (IT, FF&E), Florida Housing Finance Corporation Fees, loan fees, developer fees, third party reports (appraisals, environmental, market studies, etc.), inspection fees, marketing costs, and holding costs, (the "Minimum Total Development Costs");
- (iii) Minimum Eligible Construction Costs incurred of FOUR MILLION EIGHT HUNDRED FORTY-SIX THOUSAND ONE HUNDRED FIFTY DOLLARS AND 00/100 (\$4,846,150), calculated as the Total Budget Amount less costs classified as "N/A" (the "Minimum Eligible Construction Costs"), and
- (iv) Construction Costs incurred of at least the Funding Category Minimum with respect to each Funding Category.

Funding Eligibility:

Notwithstanding the foregoing,

- 1) the required Minimum Total Development Costs of \$7,235,489 may be reduced by a maximum of ten percent (10%) overall, as approved by the DIA Staff in its sole and absolute discretion, or a maximum of fifteen percent (15%) as approved by the DIA Board in its sole and absolute discretion, without affecting the Borrower's eligibility for funding under the DPRP.

- 2) the required Minimum Eligible Construction Costs of \$4,846,150 may be reduced by a maximum of ten percent (10%) overall, as approved by the DIA Staff in its sole and absolute discretion, or a maximum of fifteen percent (15%) as approved by the DIA Board in its sole and absolute discretion, without affecting the Borrower's eligibility for funding under the DPRP.
- 3) any Funding Category Minimum may be reduced by a maximum of ten percent (10%) on a stand-alone basis, as approved by DIA Staff in its sole and absolute discretion; or a maximum of fifteen percent (15%), as approved by the DIA Board in its sole and reasonable discretion, provided that, in such event, there shall be a pro rata reduction in the applicable DPRP Loan(s), as required. Eligibility for funding under any Funding Category shall be eliminated if the corresponding Funding Category Minimum is reduced by more than fifteen percent (15%), and eligibility for funding under the remaining Funding Categories shall remain in place unless it has been determined that material components of the rehabilitation have not been met as determined by DIA and HPS staff, in their sole discretion.

Infrastructure: No City of Jacksonville infrastructure improvements are contemplated.

Land: No City of Jacksonville land is committed to the project.

Loans: The total development project, which includes the new construction elements, was approved for a \$625,000 loan from Northbank CRA Loan Funds per Resolution 2021-0704. The subject development activity represents 20% of the total development in the unit count, and \$125,000 of this Development Loan is thereby allocated toward the subject historic building for analytical purposes. Further, Borrower assumed two obligations to the City secured by the property at acquisition, including 1) COJ HOME funds, \$235,200, and 2) COJ SHIP funds, \$134,280.

Performance Schedule:

- A) Redevelopment Agreement to be executed within thirty (30) days of the Bill Effective Date which shall establish the Redevelopment Agreement Effective Date.
- B) Commencement of Construction: Within six (6) months following the Redevelopment Agreement Effective Date, Applicant commits to commencement of construction, meaning receipt of all required approvals, permitting, and closing on all required financing to allow the start of construction activities and has actually broken ground to begin work.
- C) Substantial Completion: Within twenty-four (24) months following the Commencement of Construction as defined above.
- D) The DIA CEO will have the authority to extend this Performance Schedule, in the CEO's discretion, for up to six (6) months for good cause shown by the Borrower / Applicant. Any extensions to the Commencement Date shall have the same effect of extending the Completion Date simultaneously.

Additional Commitments:

- A) The Borrower commits to developing 28 mixed-income multifamily dwelling units in the subject property. If the new construction component is not completed contemporaneously, the full \$625,000 Development Loan must be assigned to the subject, and the DPRP commitments will be

reduced to maintain the maximum DIA funding to less than or equal to 40% of Total Development Costs.

- B) Recommendation as to the eligibility of the approved scope of work on the Properties by the Planning and Development Department shall be required prior to DIA Board approval of any program funding. Such recommendation by the Planning and Development Department may be conditional on further review and approvals by the State Historic Preservation Office ("SHPO") and/or the National Park Service ("NPS"), as may be required.
- C) Upon Substantial Completion and request for funding, all work on the Properties must be inspected by the Planning and Development Department or designee for compliance with the approved application prior to funding under any DPRP loan component.
- D) Funding under the DPRP will be secured by a stand-alone, subordinate lien position on the Property behind any senior secured, third-party lender providing construction, mini-perm, or permanent financing, as long as such subordination does not alter the DIA approved maturity date of any DPRP Loan.
- E) Each DPRP loan will be cross defaulted with one another.
- F) Payment defaults, or other defaults that trigger legal actions against the Applicant that endanger the lien position of the City, shall also be a default on the subject facilities.
- G) As the Borrower will be utilizing a combination of an HPRR Forgivable Loan and a CCR Forgivable Loan, the maturity of each of these Forgivable Loans will be five (5) years. Principal outstanding under each note will be forgiven at the rate of 20% annually on the anniversary date of each such funding, so long as no defaults exist per loan documents.
- H) Standard clawback provisions will apply such that:
 - a) In the event the Borrower sells, including without limitation a capital lease transaction, or otherwise transfers the Historic Building during the first five (5) years after the disbursement of the Forgivable Loans, the following amounts of any Forgivable Loan shall be due and payable at closing of the Sale:
 - i. 100% if the Sale occurs within 12 months after disbursement of the Forgivable Loan;
 - ii. 80% if the Sale occurs after 12 months but within 24 months of disbursement of the Forgivable Loan;
 - iii. 60% if the Sale occurs after 24 months but within 36 months of disbursement of the Forgivable Loan;
 - iv. 40% if the Sale occurs after 36 months but within 48 months of disbursement of the Forgivable Loan; or
 - v. 20% if the Sale occurs after 48 months but within 60 months of disbursement of the Forgivable Loan.
 - b) Changes in the proposed intended use of the property must continue to contribute towards the relevant Redevelopment Goals and Performance Measures of the DIA and shall be presented to the DIA for further approval not less than 90 days in advance of such changes, and such approval shall not be unreasonably withheld. In the event Borrower or any lessee

or assignee of the Borrower uses the Project or the Historic Property or Properties for any use not contemplated by this Agreement at any time within five years following the disbursement of the Forgivable Loan or Loan without such approval, the full amount of the amounts awarded, together with all accrued but unpaid interest thereon, may be declared by the DIA to become due and payable by the Borrower.

- I) Funding in the amount of the DPRP Deferred Principal Loan component (if any) will have a stated maturity date of sixteen years from the Funding Date, which requires a waiver of DPRP Program guidelines. The loan balance is due in full upon maturity, sale, or refinancing of the property prior to maturity, subject to terms of the disposition and value of the property at the time of such event.
- J) The DPRP Deferred Principal Loan component (if any) requires fixed annual interest payments equal to the total principal outstanding multiplied by the prevailing Ten-Year Treasury Note Rate at the time established for closing.
- K) Partial Principal reductions on the DPRP Deferred Principal Loan (if any) may be made after the fifth anniversary with no prepayment penalty; however, a minimum of 50% of the initial loan balance must remain outstanding through the loan maturity date unless the Property or Properties are sold or refinanced during that period, subject to DIA approval.
- L) DIA reserves the right to approve any sale, disposition of collateral property, or refinance of senior debt prior to the forgiveness or repayment of any DPRP Loan. DIA Staff may negotiate terms in the Redevelopment Agreement and/or Loan Documents that allow de minimis levels of refinancing that may be undertaken without requiring further approvals.
- M) All Property, business, and income taxes must be current at the time of application and maintained in current status throughout the approval process, the term of the Redevelopment Agreement, and through the DPRP loan period.
- N) Minimum insurance requirements as established by the City of Jacksonville Risk Management Department must be met prior to closing and maintained throughout the term of the development agreement.
- O) Payment defaults, bankruptcy filings, or other material defaults during the DPRP loan period will trigger the right for the City of Jacksonville to accelerate all amounts funded and outstanding under any or all programs at such time, plus a 20% penalty of any amounts amortized or prepaid prior to that date.

There will be additional terms, conditions, rights, responsibilities, warranties, and obligations for both parties, which shall be determined in a later negotiated mutually agreeable written contract (or multiple written contracts as is deemed necessary).

RESOLUTION 2022-12-03

A MODIFICATION AND RESTATEMENT OF A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY SUPPORTING THE EXECUTION OF A REDEVELOPMENT AND INCENTIVE AGREEMENT BETWEEN THE DOWNTOWN INVESTMENT AUTHORITY AND VESTCOR, INC; AUTHORIZING THE CEO OF THE DOWNTOWN INVESTMENT AUTHORITY TO NEGOTIATE THE LOAN AGREEMENT; AND AUTHORIZING THE CEO OF THE DOWNTOWN INVESTMENT AUTHORITY TO EXECUTE SUCH DOCUMENTS AND AGREEMENTS; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, Vestcor, Inc. (the “Developer”) proposes to construct the Lofts at Cathedral, a project consisting of approximately 120 new or rehabilitated multi-family apartment units of various unit sizes for families in the Cathedral District neighborhood. Utilizing funding from the Low Income Housing Tax Credit program (“LIHTC”), the Developer proposes to deliver approximately 120 multifamily mixed-income units, including 84 with rent limits providing affordable housing for tenants with income of 80% or less of the Area Median income, in the Cathedral Hill District within the boundaries of the Downtown Northbank CRA of Downtown Jacksonville. The project will result in an investment of approximately \$39,000,000 for the construction of the apartments, and associated improvements, representing an increase of more than \$10,000,000 from the total development cost originally underwritten.

WHEREAS, the Developer was awarded Low Income Housing Tax Credits of \$1,868,000 per year for a period of ten years under RFA 2021-202 by the Florida Housing Finance Corporation to facilitate the development of affordable housing within the overall development activity; and

WHEREAS, RFA 2021-202 required a Local Government Support Loan of \$625,000, which was approved by the DIA in Resolution 2021-07-04 to facilitate the development of affordable housing within the overall development activity; and

WHEREAS, the increased private capital investment totaling not less than \$39,000,000 in real property will increase the county ad valorem tax base over the useful life of the assets related to the overall development activity, and will add to the residential tenancy options in Downtown Jacksonville; and

WHEREAS, the Strategic Implementation Committee of the Downtown Investment Authority (“DIA”) met on November 16, 2022, and approved to forward Resolution 2022-11-06 to the DIA Board recommending approval of DPRP Program Forgivable Loans for the historic building component of the overall development following the program guidelines established by City Council in an amount not to exceed \$2,398,400, which exceeds the maximum additional funding of \$1,025,000 as originally authorized by Resolution 2021-07-04; and

WHEREAS, the Strategic Implementation Committee of the Downtown Investment Authority (“DIA”) met on December 14, 2022 to consider approval of this Resolution 2022-12-03, which modifies the loan approval as originally authorized by Resolution 2021-07-04;

WHEREAS, the Downtown Investment Authority (“DIA”) is authorized per section 55.108 *Economic Development* of the City Ordinance Code, subject to City Council appropriation of funds, to utilize the Tax Increment Finance District Trust Funds to foster the redevelopment of the Downtown Northbank Community Redevelopment Area; and

WHEREAS, sufficient funds have been previously appropriated by City Council for Loans within the Northbank CRA and remain available for use in accordance with the BID Plan; and

WHEREAS, the proposed loan will be funded from the DIA Northbank CRA Loan Program Plan Authorized Expenditures account; and

WHEREAS, the financial assistance to the project will be in the form as detailed on the attached Term Sheet and in compliance with the requirements of the Local Government Support Loan (as detailed in the NOFA); and

WHEREAS, the proposed financing complies with program guidelines for the DIA Affordable Housing Support Loan Program as authorized by the update to the DIA BID Plan by ordinance 2022-0372E as approved by City Council on June 28, 2022; and

NOW THEREFORE, BE IT RESOLVED, by the Downtown Investment Authority:

Section 1. The DIA finds that the recitals set forth above are true and correct and are incorporated herein by this reference.

Section 2. The DIA hereby authorizes the CEO of the Downtown Investment Authority to negotiate a Loan Agreement and a Redevelopment Agreement with the Developer, or a subsidiary of the Developer substantially in accordance with the term sheet attached hereto as Exhibit A.

Section 3. The DIA hereby authorizes the CEO of the Downtown Investment Authority to execute such agreements.

Section 4. This Resolution, 2022-12-03, Shall become effective on the date it is signed by the Chair of the DIA Board.

(SIGNATURES ON FOLLOWING PAGE)

WITNESS:

DOWNTOWN INVESTMENT AUTHORITY

Ina Meyer

Carol Worsham
Carol Worsham, Chairman

12/21/22
Date

VOTE: In Favor: 6 Opposed: 0 Abstained: 0

**Exhibit A to Resolution 2022-12-03
Term Sheet**

Loan:

Project Name: Lofts at Cathedral (A multifamily development utilizing Low Income Housing Tax Credits)

Developer/ Applicant: Single Asset Entity to be formed, Vestcor (or an affiliate company) will be the General Partner.

Total Development Costs (estimate): \$39,000,000; not less than \$37,050,000 to remain eligible

LIHTC Equity (proposed): \$22,789,721 (58.3% of TDC)

New City Funding: Not more than \$3,023,400 through the City of Jacksonville, Downtown Investment Authority in the aggregate; this loan authorization is not to exceed \$625,000 as follows:

Infrastructure: No city of Jacksonville infrastructure improvements are contemplated.

Land: No land or building owned by the City of Jacksonville land is requested by the project.

City Funding pursuant to this Resolution:

CRA Loan:

- \$625,000 Loan from the Northbank CRA Loan Program
- The Note will have a 1.00% interest rate (payable semi-annually)
- Term will be 20 years, as required by the FHFC RFA 2021-202, with an option for prepayment without penalty at any time.
- The principal balance of the note will be due at the end of the term or upon sale, transfer or refinance of the project.
- There will be no annual payments of principal required on the \$625,000 loan.
- The Loan would be funded concurrently with the development meeting the definitions of Completion within its senior loan documents.

The loan approval and funding is contingent upon the following:

1. Selection by the JHFA for the Local Government Area Of Opportunity Funding Loan Request NOFA 2021-1 in conjunction with FHFC RFA 2021-202 has been met.
2. An allocation of "9% Low Income Housing Tax Credits" from the Florida Housing Finance Corporation under RFA 2021-202 has been met.
3. Downtown Investment Authority staff review and approval of all development and construction timelines.
4. Evidence of commitment for construction/senior debt agreements and any private junior lien loan agreements and commitments sufficient to complete the project.

5. Evidence of marketable title by the Developer.
6. There may be additional terms, conditions, rights, responsibilities, warranties and obligations for both parties which shall be determined in a later negotiated mutually agreeable written contract (or multiple written contracts as is deemed necessary).

Additional COJ/DIA Funding:

DPRP Loans:

No more than **\$2,398,400** (through the City of Jacksonville Downtown Investment Authority), as follows with terms and conditions as outlined in Resolution 2022-11-06:

	Historic Preservation, Restoration, and Rehabilitation Forgivable Loan (HPRR)	Code Compliance Forgivable Loan (CCR)	DPRP Deferred Principal Loan	TOTAL
TOTAL	\$1,029,100	\$889,600	\$479,700	\$ 2,398,400

Additional City Obligations:

Further, Developer has assumed two forgivable obligations to the City secured by the historic YWCA property at the time of its acquisition, including 1) COJ HOME funds, \$235,200, and 2) COJ SHIP funds, \$134,280.

Minimum Capital Contribution:

- The minimum total capital contribution through completion to remain eligible for the City Funding as proposed will be \$37,050,000.
- Percent of total COJ/DIA investment to minimum total capital contribution:
 $\$1,025,000 / \$28,785,258 = 3.6\%$.

Performance Schedule:

- Commencement of Construction within six (6) months following the Redevelopment Agreement Effective Date . Commencement of Construction means:
 - a) As reasonably can be considered necessary so that physical construction of the eligible Project (or any applicable phase thereof) may begin and proceed to completion without foreseeable interruption:
 - i. Completion of all pre-construction engineering and design,
 - ii. All necessary licenses, permits, and governmental approvals required to initiate horizontal and vertical construction,
 - iii. Engagement of the General Contractor and others necessary to commence construction.

- b) Evidence of having “broken ground” and begun physical, material renovation and construction of such improvements on an ongoing basis without any Impermissible Delays.
- Date of Substantial Completion not more than twenty-four (24) months from the Commencement Date.
- The Redevelopment Agreement shall allow the DIA CEO to extend the performance schedule for up to six (6) months in her sole discretion for good cause shown by Developer. Such extensions made to the Commencement Date shall apply also to the Date of Substantial Completion.

Economic Development Loan Funding

Funding for the CRA Loan, per the terms as described herein, shall occur following the Date of Substantial Completion and inspection by the DIA that determines completion has been made substantially in accordance with plans and specifications as approved during underwriting.

DPRP Historic Program Funding (as approved by Resolution 2022-11-06)

DPRP Historic Program Funding: The Developer has applied for funding in an amount not to exceed \$2,398,400 , which will serve as permanent capital in the funding sources for the workforce, multifamily development. Funding under this program is conditional on the approval of the 9% Low Income Housing Tax Credit (LIHTC) award from the Florida Housing Finance Corporation (FHFC), which may be further conditioned on the approval for funding preference by the Jacksonville Housing Finance Authority (JHFA) under the Notice of Funding Allocation (NOFA) 2021-202, which has been achieved.

Under no circumstances will total COJ/DIA funded or committed exposure to this development exceed \$3,023,400, exclusive of the COJ Home funds and COJ SHIP funds assumed by the Developer.